

Message Text

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12

ACTION OPIC-06

INFO OCT-01 AF-04 ISO-00 EB-07 COME-00 TRSE-00 PA-01 PRS-01

USIA-06 XMB-02 /028 W

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R 291215Z NOV 74

FM AMEMBASSY ABIDJAN

TO SECSTATE WASHDC 1153

INFO AMEMBASSY ADDIS ABABA

AMEMBASSY BAMAKO

AMEMBASSY LIBREVILLE

AMEMBASSY LOME

AMEMBASSY LUSAKA

AMEMBASSY MONROVIA

AMEMBASSY NAIROBI

AMEMBASSY OUAGADOUGOU

AMEMBASSY YAOUNDE

C O N F I D E N T I A L ABIDJAN 9583

PASS OPIC

E.O. 11652: GDS

TAGS: EFIN

SUBJECT: TAW

REF: A) STATE 259760

B) STATE 260168

C) ABIDJAN 8803(NOTAL)

1. TAW PRESIDENT, THOMAS A. WOOD, CALLED ON EMBASSY NOVEMBER 27 TO REPORT ON TAW'S ACTIVITIES IN IVORY COAST. (WOOD HAD BEEN "CONVOKED" BY MINFIN BEDIE TO EXPLAIN REASON FOR FIRING OF TAW LOCAL DIRECTOR MAMADOU BA (SEE REFTEL C). REGARDING BA, WOOD STATED THAT MINFIN APPARENTLY ACCEPTED WOOD'S EXPLANATION THAT BA'S DISMISSAL WAS STRICTLY MATTER OF INTERNAL COMPANY POLICY AND HAD NO POLITICAL OVERTONES WHATSOEVER.

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2. REGARDING TAW'S IVORY COAST ACTIVITIES, WOOD STATED THAT IN

VIEW OF DIFFICULTIES WITH CREDITORS AND ARBITRATION CONCERNING TAW'S ZAMBIAN CONTRACT, IVORY COAST OPERATION WAS IN "HIATUS." (EX-TAW EMPLOYEE TOLD EMBOFF THAT TAW'S TURNOVER IN IVORY COAST DOWN 50 PERCENT DURING LAST SIX MONTHS). WOOD STATED HE BROACHED WITH MIN BEDIE POWSIBILITY OF ESTABLISHING SEPARATE TAW ENTITY IN IVORY COAST. ACCORDING TO WOOD, TAW WOULD TURN 2 MILLION OF 4 MILLION DOLLARS LOAN FROM TAW LIBERIA TO TAW IVORY COAST INTO EQUITY IN NEW IVORY COAST COMPANY. IN VIEW OF TAW'S STATUS AS BANKING INSTITUTION, TAW THEREBY COULD OBTAIN ADDITIONAL LOCAL FINANCING FROM CENTRAL BANK. FOR INSTANCE, IF CENTRAL BANK AGREED TO A 4 TO 1 DEBT/EQUITY RATIO, TAW COULD BORROW 8 MILLION DOLLARS LOCALLY AGAINST NEWLY CREATED 2 MILLION DOLLARS EQUITY INVESTMENT. OF THIS 8 MILLION DOLLARS, WOOD STATED HE WOULD TRANSFER SOME 2 MILLION DOLLARS BACK TO US TO PAY US CREDITORS. NEW IVORIAN COMPANY WOULD PERHAPS HAVE AS MUCH AS 45 PERCENT GOIC AND LOCAL IVORIAN PARTICIPATION.

COMMENT: ALTHOUGH OUTWARDLY OPTIMISTIC CONCERNING PROSPECTS FOR SUCCESSFUL RESOLUTION OF ARBITRATION PROCEEDINGS ON ZAMBIAN CONTRACT AND POTENTIAL FOR FUTURE ACTIVITY IN IVORY COAST, WOOD IS OBVIOUSLY SCRAMBLING TO REFINANCE HIS DEBT, BY OBTAINING ADDITIONAL FINANCING IN IVORY COAST. THIS CONCEPT IS IN EMBRYONIC STAGE AND EMBASSY WILL FOLLOW ITS GENESIS CLOSELY. WOODS RETURNING TO US IMMINENTLY AND WILL THEN LEARN OF CREDITORS' ACTIONS REPORTED REFTEL A. DIAMANTI

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